

Single Process Initiative

THE ROLE OF THE MANAGEMENT COUNCIL IN THE SINGLE PROCESS INITIATIVE

The role of the DCMC Contract Administration Office (CAO) Management Council is crucial to the overall success of the block change process. The Management Council (1) facilitates constructive discussion regarding the general acceptability of the contractor's concept paper as a working document; (2) assures that the interests of the contractor's entire government customer base are considered; (3) analyzes the merits and cost benefits of the proposed process change; and (4) advises the Administrative Contracting Officer (ACO) regarding the appropriateness of entering into a Memorandum of Agreement (MOA) with the contractor when the proposed process change does not require a contract modification. Each Management Council is composed of senior level representatives from the CAO, the cognizant Defense Contract Audit Agency (DCAA) office, the contractor, and subject matter experts from affected key customers. Key customers notionally represent 80 percent of the total unliquidated obligation dollar value of contracts.

The CAO should use the Integrated Product Team (IPT) concept in establishing and operating the Management Council. A CAO with responsibility for many contractors should structure the Management Council to meet the needs of key contractors and customers based on the nature of the concept papers received. The Management Council may be restructured to meet the needs of other customers and contractors as they submit concept papers. The CAO should not attempt to pre-screen the contractor base for SPI-related activities or communications. A "standard letter" for ACOs to send to contractors has been forwarded to each CAO and should be sent to all contractors. The goal is to maximize SPI participation. After the ACO letter is sent to contractors, follow-up contacts should be made with contractors where multiple manufacturing or management processes exist (based on the knowledge of any CAO specialist).

SPI success depends greatly upon the speed with which block changes are executed:

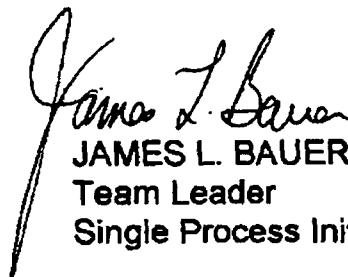
- Management Councils should report the receipt of each concept paper as soon as it is received and use the remainder of the initial 30-day period to obtain additional supporting data as needed;
- The initial CAO Management Council review of a concept paper should address the acceptability of the document in terms of the information needed to effectively evaluate the proposed process change and allow rapid judgement by the ACO; and
- The customers should perform the detailed evaluations of the contractor's proposed technical and business processes with assistance from DCMC during the approval phase of the 120-day period.

The preferred process: When the contractor submits a concept paper to the CAO, it is first distributed to the Management Council. The ACO, with advice from the Management Council, will make a **rapid** decision on the viability of the proposed change. The DCAA field office will provide any financial advisory and audit services needed by the ACO to review concept papers. If the concept paper has merit, it moves to the approval phase where the Management Council requests that a Component Team Leader (CTL) be designated from the largest dollar value customer within each affected component. During this phase, the Management Council requests a CTL from each affected component; however, experience indicates that it is advisable to begin the process of obtaining a CTL in the proposal development phase immediately upon receipt of a concept paper. The CTL should serve on the Management Council and coordinate consensus among the component's affected customers.

The Management Council is in frequent communication at the local level assuring issues are worked quickly. Disagreements between customers within and between components should be worked as early in the process as possible. SPI SWAT teams are available to assist Management Councils when needed. The successive levels of conflict resolution are

- CAO Management Council
- Component Team Leader responsible for coordinating a block change proposal
- Component Acquisition Executive (for internal component disagreement)
- Defense Acquisition Executive (for DoD component disagreements).

Conflict resolution between DoD components should occur within the 120-day time period specified in Dr. Kaminski's memo. [Note: This pertains to disagreements between DoD components, not between the Government and the contractor. The SPI process does not include a contractor appeal process if Government representatives agree that a proposal is not acceptable.] Questions concerning the Single Process Initiative may be addressed to the Single Process Initiative Team at (703) 767-2471 or DSN 427-2471.



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